



BUILDINGS ASSET MANAGEMENT PLAN

BROKEN HILL
CITY COUNCIL

**AUSTRALIA'S FIRST
HERITAGE LISTED CITY**

QUALITY CONTROL

KEY THEME	1. Our Community		
OBJECTIVE	1.5 Our built environment supports our quality of life		
STRATEGY	1.5.3 Ensure service levels and asset conditions are commensurate with community expectations		
FUNCTION	Built Environment		
EDRMS NUMBER	13/163	FILE REFERENCE	D25/2041
RESPONSIBLE OFFICER	Strategic Asset Management Coordinator		
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18 December 2024	Adopted by Council	47728	
Notes	This Plan was compiled by Broken Hill City Council and Morrison Low Copies of this Plan can be viewed on-line at www.brokenhill.nsw.gov.au Images were sourced from Council's image library © Copyright Broken Hill City Council 2024		
Associated Documents	Asset Management Strategy Asset Management Policy Long Term Financial Plan Workforce Management Strategy Community Strategic Plan Delivery Program Operational Plan Community Satisfaction Survey 2023		

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EXECUTIVE SUMMARY

PORTFOLIO OVERVIEW

Broken Hill City Council (BHCC) is a regional city of almost 18,000 people in the far west of NSW. Council has a portfolio of buildings and other structures across about 50 facilities providing a variety of civic, community and recreational uses. Broken Hill is the first and only entire Australian city or town on the national heritage list, and heritage is a highly value attribute of many buildings and public spaces.

The buildings portfolio (including other structures and swimming pools) is valued at almost \$170 million.

This Asset Management Plan (AMP) is a 'top-down' plan based on portfolio level reporting and forecasting. As asset management practices and capabilities mature, Council may consider developing sub-AMPs (for example Aerodrome, Lighting).

CURRENT STATE OF THE ASSETS

Council's buildings assets are considered to be in satisfactory condition, with swimming pools in good condition and other structures in excellent to good condition.

Figure 1: Buildings Condition

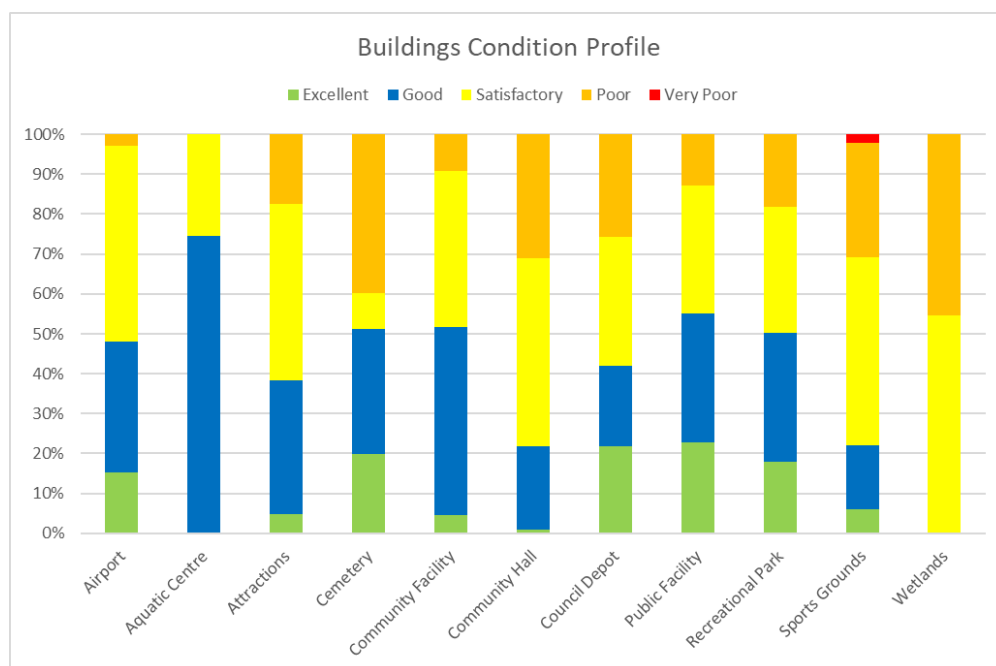
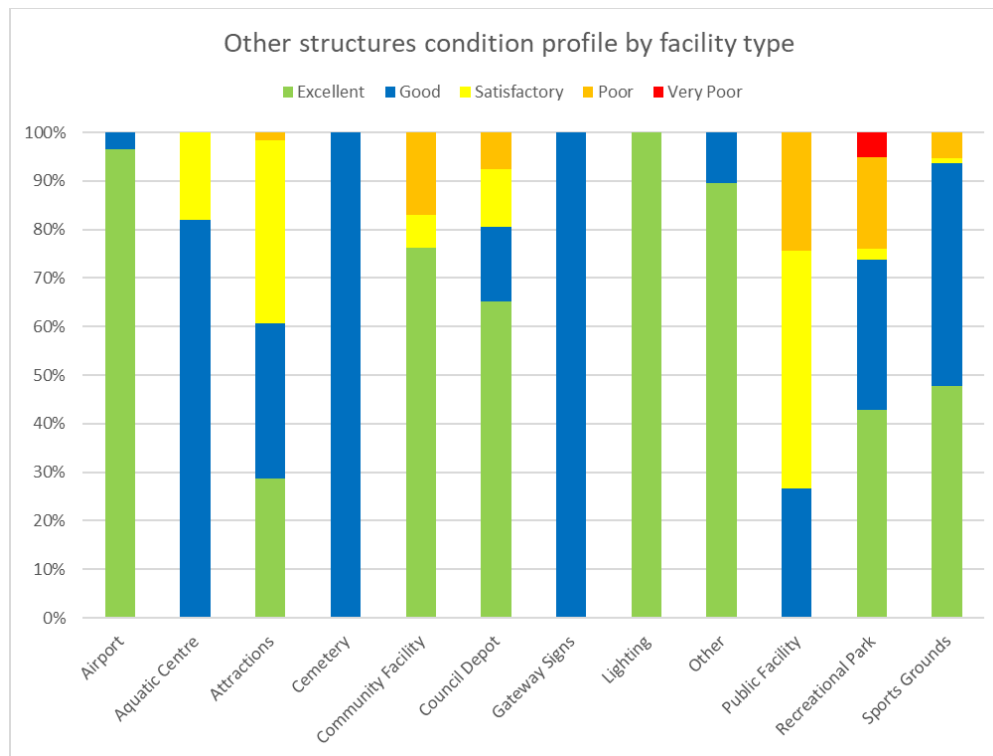


Figure 2: Other Structures and Swimming Pools Condition



FINANCIAL SUMMARY

Council's budgeted expenditure over ten years is shown in the table below.

Table 1: Expenditure Summary

Description	Projected Expenditure \$'000s					
	Year 1	Year 2	Year 3	Year 4	Year 4-10	Ten-year
	2024/25	2025/26	2026/27	2027/28	2027-34	Total
Operational Expenditure	\$1,794	\$1,857	\$1,922	\$1,990	\$13,488	\$21,052
Capital Expenditure:						
Renewals	\$1,637	\$2,819	\$2,917	\$3,019	\$20,469	\$30,862
New	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$3,431	\$4,676	\$4,840	\$5,009	\$33,958	\$51,913

STRATEGIC CHALLENGES

Five major strategic challenges identified during the preparation of this AMP are shown in the table below.

Table 2: Strategic Challenges

Focus areas	Key challenges	Description
People	Recruitment and retention	Recruitment and retention of suitably qualified and experienced maintenance crews to attend to customer requests and locally identified defects.
Processes	Decision-making processes	Decision-making processes are not documented, and responsibilities not sufficiently clear to staff.
	Long term planning	Maintenance is currently reactive without a long-term maintenance strategy, plan or guidelines.
Demographics	Population	Maintaining an appropriate asset base for the current and expected increasing population.
Finance	Uncertainty of grant funding	Key grant funding programs have been discontinued and there is no certainty as to when new funding programs will start. Approximately half of the required funding comes from grants.

KEY IMPROVEMENT ACTIONS

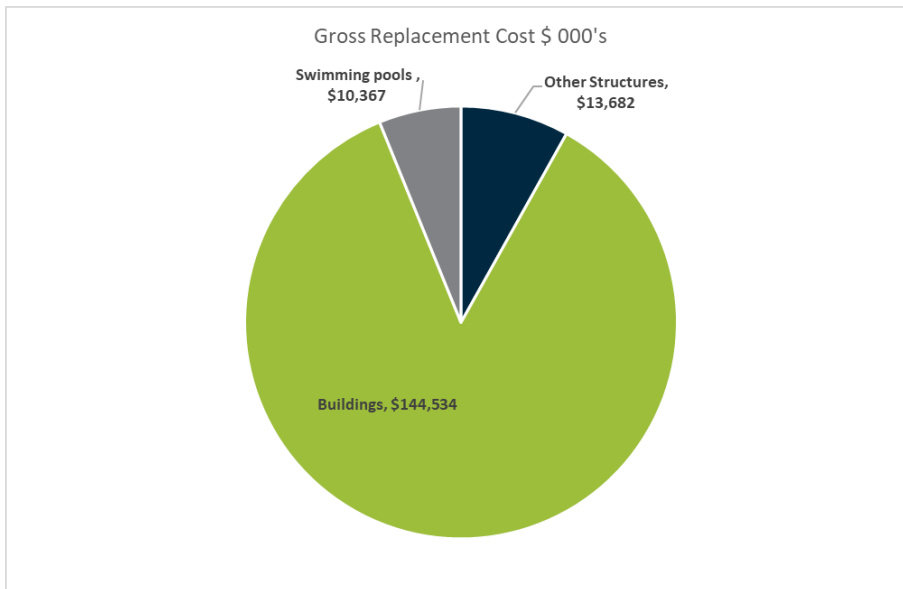
This Asset Management Plan (AMP) includes an improvement plan to address gaps identified by stakeholders during the preparation of the AMP. Four recommended priority improvement actions are shown in the table below.

Table 3: Priority Improvement Actions

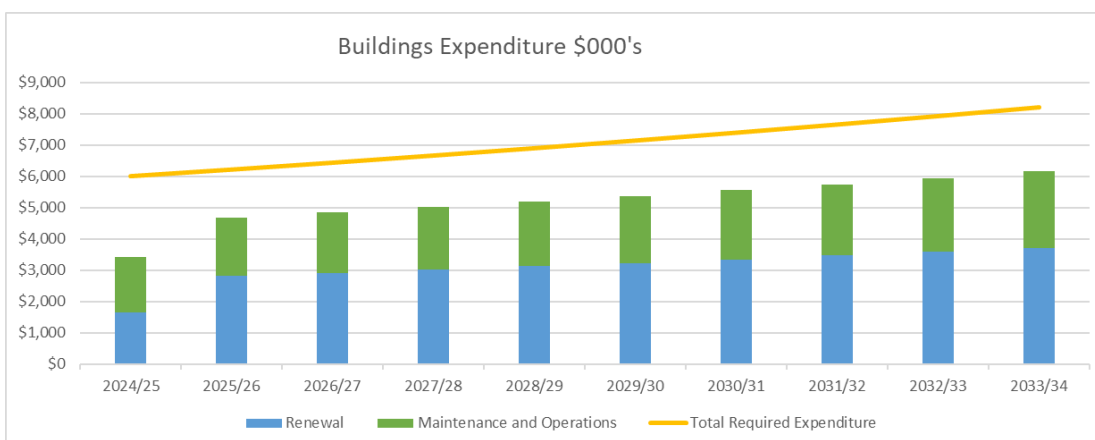
Asset Management Element	Proposed Actions
Asset Knowledge and Data	Improve component and category data to enable easier reporting and analysis.
Strategic Asset Planning Processes	Develop maintenance strategies to be more proactive and shift expenditure to CAPEX to reduce OPEX and optimise value for money.
Operations and Maintenance Work Practices	Develop maintenance strategies and plans to ensure maintenance is performed within service levels.
Organisational Context	Develop a roles and responsibilities matrix to ensure responsibilities for asset lifecycle activities are known and communicated throughout Council.

DASHBOARD

Figure 3: Buildings Asset Portfolio



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap \$ 000's	
Infrastructure renewals ratio	66.1%	110.0%	Yr 1	-\$839
Benchmark 100%			Yr 5 Average	\$48
			Yr 10 Average	\$182
Infrastructure Backlog Ratio	3.0%	1.5%	Yr 1	-\$1,278
Benchmark 2%			Yr 5 Average	-\$817
			Yr 10 Average	-\$177
Infrastructure Maintenance Ratio	50.7%	51%	Yr 1	-\$1,744
Benchmark 100%			Yr 5 Average	-\$1,870
			Yr 10 Average	-\$2,045
Total Funding Gap			Yr 1	-\$3,860
			Yr 5 Average	-\$2,639
			Yr 10 Average	-\$2,041



1. INTRODUCTION

1.1. PURPOSE OF THE PLAN

The purpose of this Asset Management Plan (AMP) is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 10-year planning period.

The plan includes the following scope of management:

- Asset inventory, values and condition.
- Asset-based levels of service.
- Demand and service management.
- Risk management.
- Development of the Long Term Financial Plan (LTFP) for the maintenance and renewal of buildings assets.

The forecasts in this plan are based on the audited 2022/23 financial statements (Note C1-6, and Special Schedule 7), adopted budget 2023/24, and the draft 2024/25 Operational Plan.

1.2. PORTFOLIO OVERVIEW

Figure 4: Buildings Asset Portfolio Overview

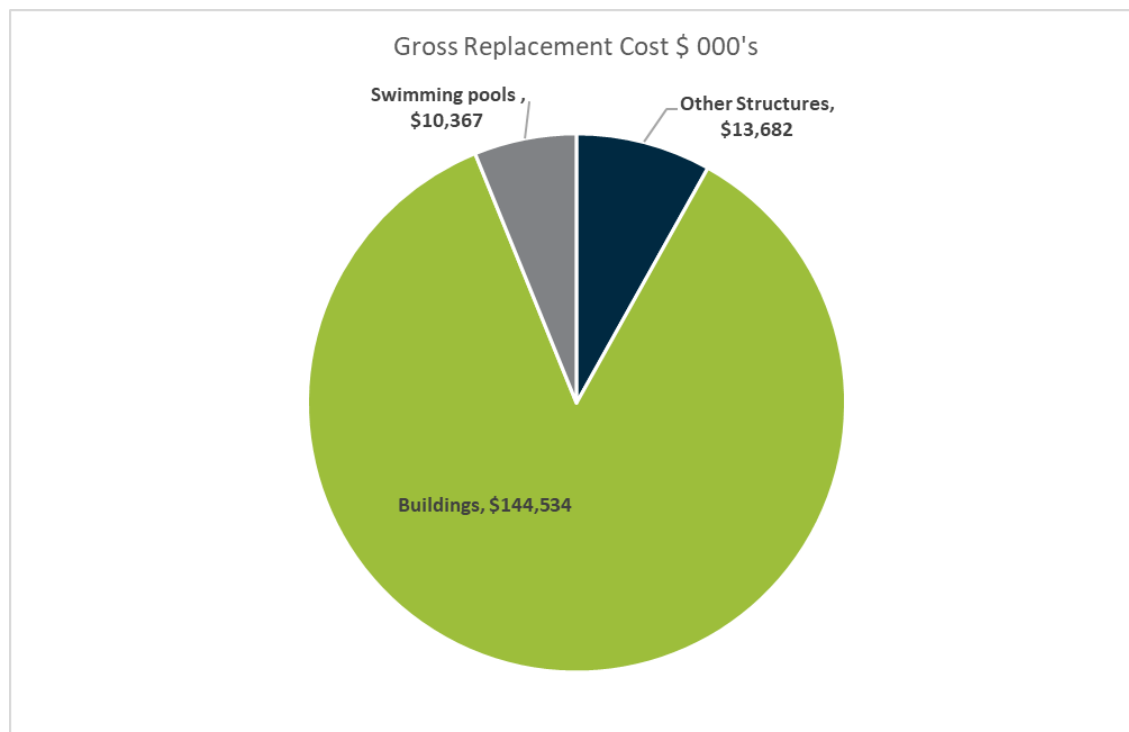


Figure 5: Buildings Component Value

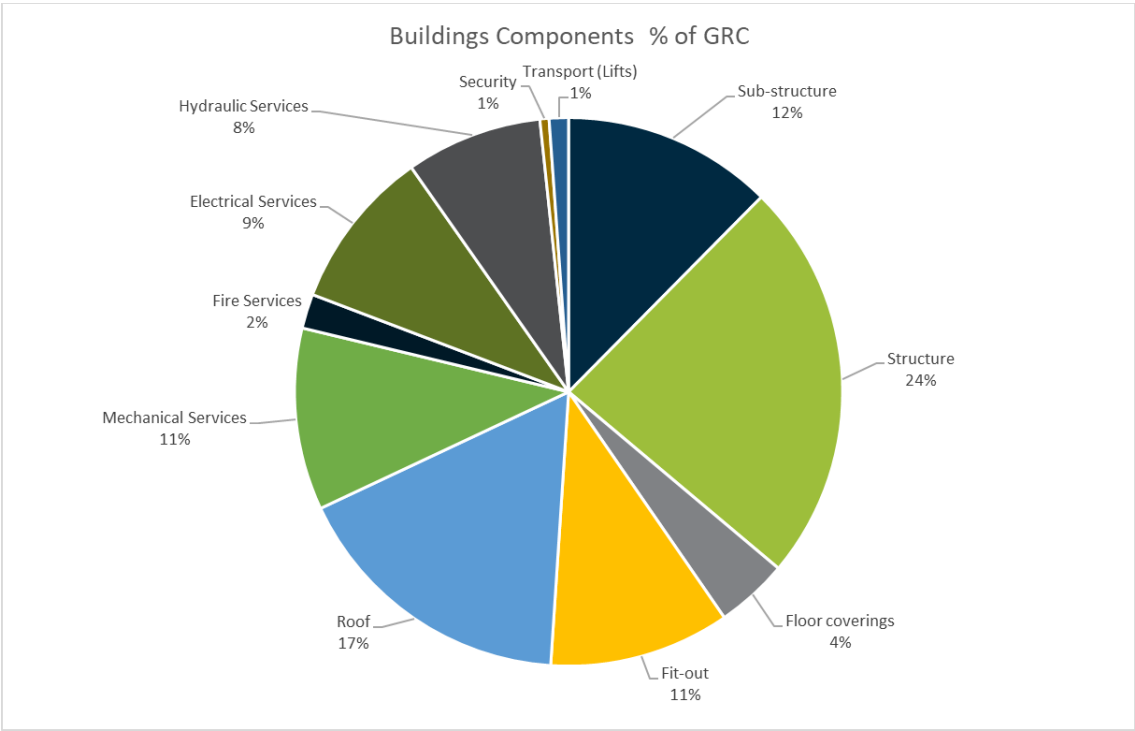


Figure 6: Other Structures Value

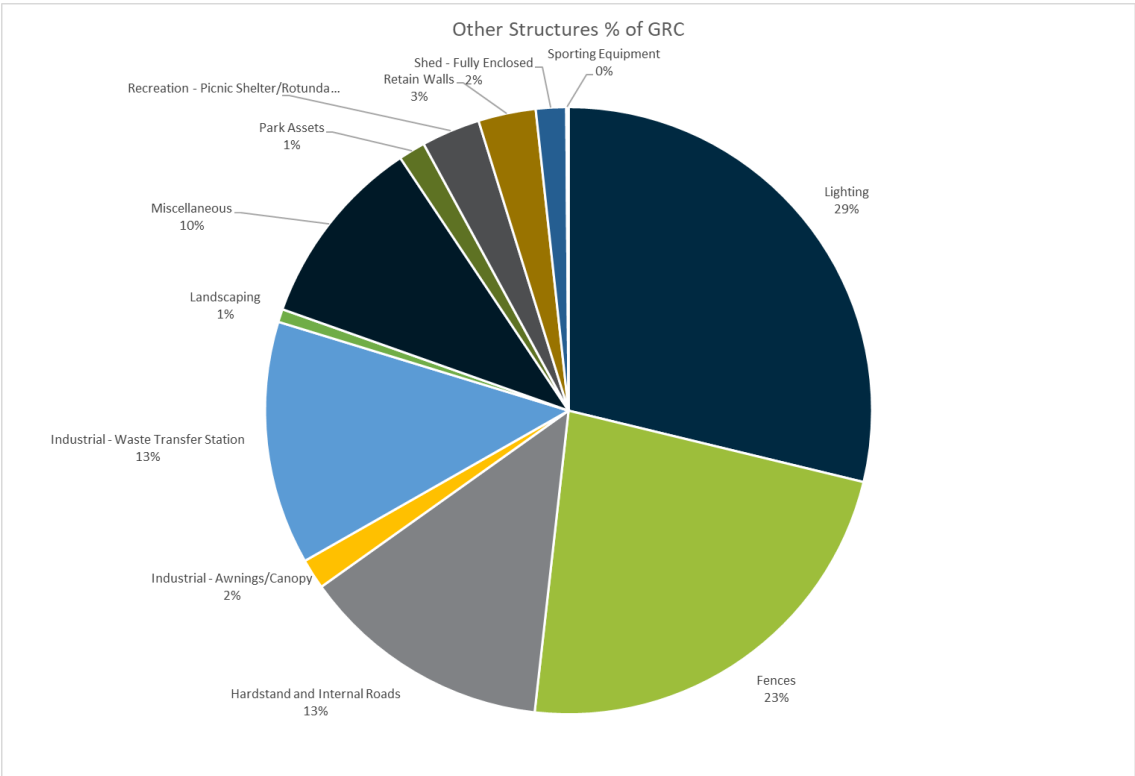
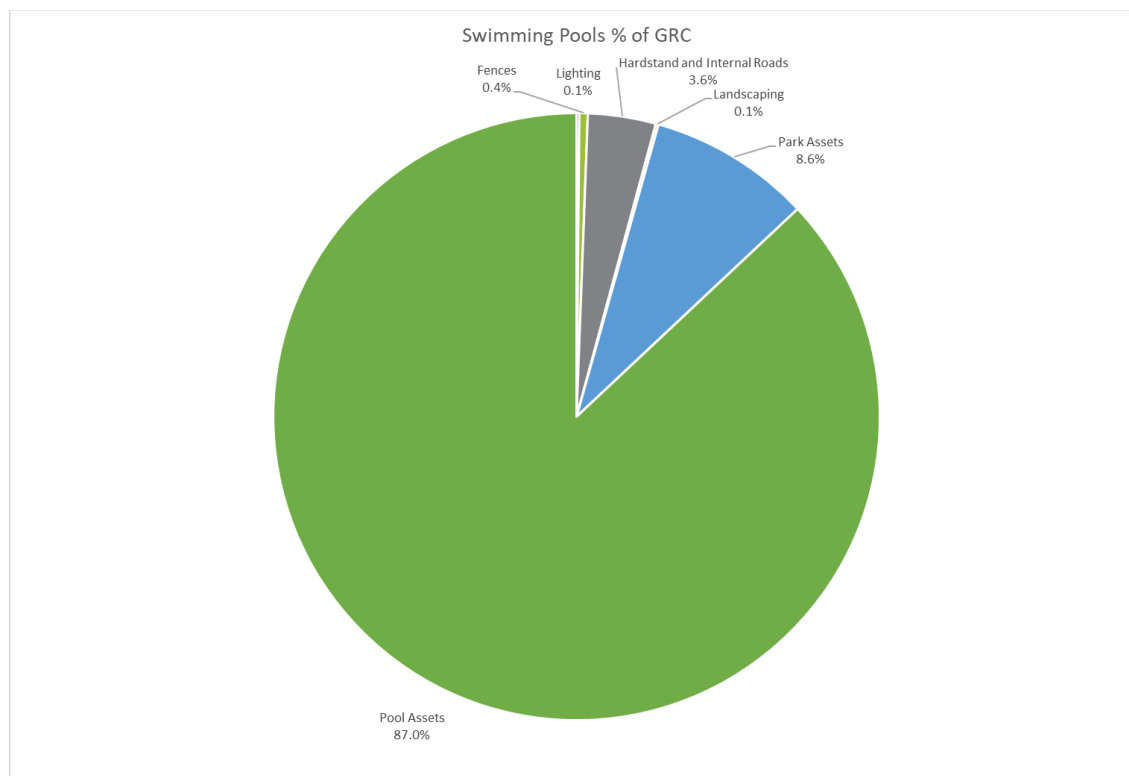


Figure 7: Swimming Pools % of GRC



Facility Type	Facility	Gross Replacement Cost (GRC)	Accumulated Depreciation	Written Down Value
Airport	Airport	9,622,242	3,270,303	6,351,939
Airport Total		9,622,242	3,270,303	6,351,939
Aquatic Centre	Alma Pool	1,029,987	387,360	642,627
	Aquatic Centre	9,336,096	2,077,093	7,259,003
Aquatic Centre Total		10,366,083	2,464,453	7,901,630
Attractions	BHP Chimney Redevelopment	220,500	8,412	212,088
	Joe Keenan Lookout	15,120	4,655	10,465
	Kintore Reserve	20,223	4,050	16,173
	Town Hall Façade	4,435,200	2,152,672	2,282,528
	White Rocks Reserve	18,837	2,063	16,774
Attractions Total		4,709,880	2,171,852	2,538,028
Cemetery	Cemetery	356,404	107,946	248,458
Cemetery Total		356,404	107,946	248,458
Community Facility	Home and Community Care Centre	8,980,461	3,910,068	5,070,393
	South Library/Community Centre	2,726,451	760,279	1,966,172
	Youth Centre	1,794,744	697,863	1,096,881

Facility Type	Facility	Gross Replacement Cost (GRC)	Accumulated Depreciation	Written Down Value
Community Facility Total		13,501,656	5,368,210	8,133,446
Community Hall	BIU Band Hall	2,105,712	1,000,558	1,105,154
Community Hall Total		2,105,712	1,000,558	1,105,154
Council Depot	Animal Shelter	725,886	172,663	553,223
	Warnock Street Depot	5,263,103	2,201,857	3,061,246
	West Depot	3,624,138	672,883	2,951,255
Council Depot Total		9,613,127	3,047,403	6,565,724
Public Facility	Administration Building	13,920,115	6,640,243	7,279,872
	Aged Persons Rest Centre	1,492,344	805,354	686,990
	Albert Kersten MMM (Geo Centre)	3,948,840	1,660,595	2,288,245
	Alma Mechanics Institute	839,664	474,986	364,678
	Boughtman Street Amenities	162,288	64,843	97,445
	Charles Rasp Memorial Library	4,039,560	2,345,052	1,694,508
	Civic Centre	23,216,760	7,816,855	15,399,905
	Council Chambers	296,465	91,311	205,154
	Living Desert Sanctuary	642,852	168,335	474,517
	Mosque	181,440	120,769	60,671
	Sully's Building - Art Gallery	9,056,376	2,432,796	6,623,580
	Sully's Workshop	362,880	55,819	307,062
	Visitors Information Centre	5,600,196	1,830,633	3,769,563
Public Facility Total		63,759,780	24,507,591	39,252,189
Recreational Park	AJ Keast Park	468,437	183,235	285,201
	Apex Park	7,938	1,734	6,204
	Duff Street Park	179,928	76,758	103,170
	Duke of Cornwall Park	446,733	191,718	255,015
	North Family Play Centre	367,290	120,074	247,216
	Patton Park	591,003	113,526	477,477
	Picton Park	811,238	332,100	479,139
	Queen Elizabeth Park	2,686,919	662,724	2,024,195
	Roundhouse Amenities	735,588	197,271	538,317
	Sturt Park	722,358	256,761	465,597

Facility Type	Facility	Gross Replacement Cost (GRC)	Accumulated Depreciation	Written Down Value
Recreational Park Total		7,017,431	2,135,903	4,881,529
Sports Grounds	Alma Oval	1,949,371	983,462	965,909
	Lamb Memorial Oval	266,679	55,668	211,011
	Memorial Oval	10,615,752	5,320,066	5,295,686
	Newmarket Raceway	2,433,868	1,031,208	1,402,661
	Norm Fox Sports Complex	893,403	289,460	603,943
	O'Neill Park	1,840,986	635,481	1,205,505
	Renfrew Oval	168,840	70,191	98,649
	Sport and Recreation Centre	3,307,500	1,089,140	2,218,360
Sports Grounds Total		21,476,400	9,474,675	12,001,725
Wetlands	Mulga Creek Wetlands	17,010	4,356	12,654
Wetlands Total		17,010	4,356	12,654
Grand Total		142,545,725	53,553,248	88,992,477

(Source: Buildings, Other Structures and Land valuation report 2022-23)

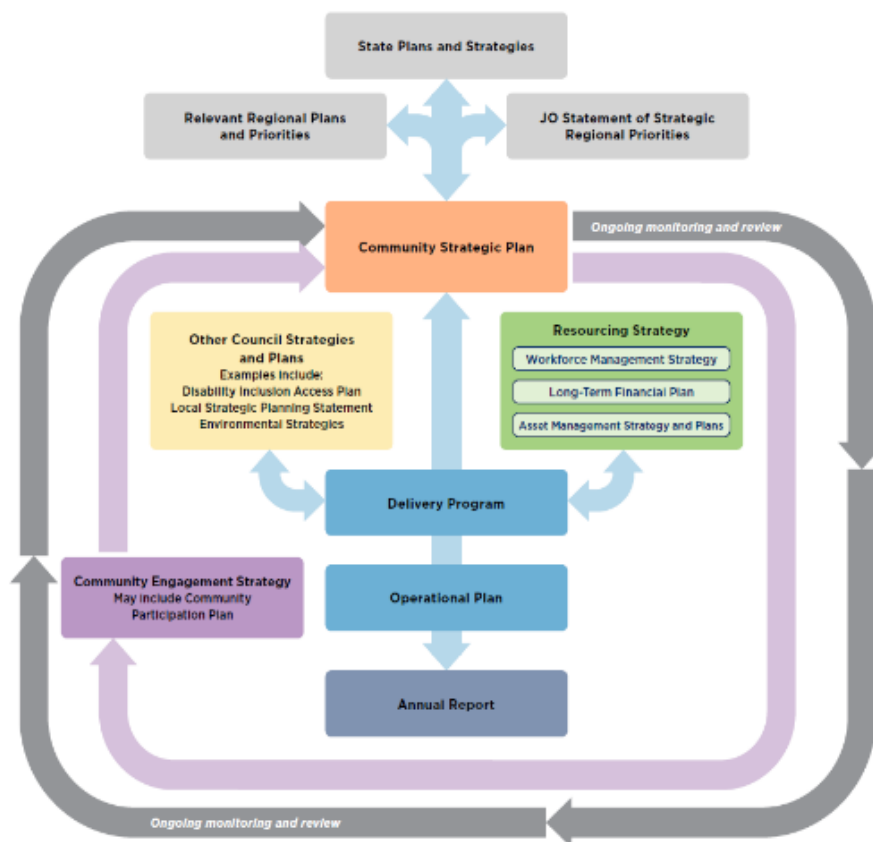
1.3. PLANNING OVERVIEW

Development of Asset Management Plans for council infrastructure is a mandatory requirement for NSW councils, as per the *NSW Local Government Act 1993* and its subsequent amendments.

Providing infrastructure is one of the most important roles of Council, as assets support services that deliver on Council's long-term objectives. A formal approach to asset management is essential to ensure that services are provided in the most cost-effective and value-driven manner. Asset management needs to be fully aligned and integrated with the Community Strategic Plan, Long Term Financial Plan and Workforce Strategy. This ensures that community needs and expectations are well understood, and that funding requirements and consequences are understood and available.

Council's current planning framework is based on the 'Local Government Integrated Planning and Reporting Framework'.

Figure 8: Integrated Planning and Reporting Framework



The Integrated Planning and Reporting Handbook provides guidance to councils as to the minimum content, monitoring and review of their asset management plans.

1.3.1. Strategic Focus

Asset management is a 'whole of life' approach that includes planning, purchase, construction, operation, maintenance and renewal/disposal of assets. The objective is to maximise asset service delivery potential and manage related risks and costs over the entire asset life.

The strategic outlook from the Asset Management Strategy (2020) is for:

- Council to continue to improve the level of service provided by its assets and to meet optimal levels of service identified in condition surveys
- Council to consider strategies to fund the projected asset renewal expenditure over the next ten years

- Council's continued investment to ensure that data verification, system management and evaluation continues to mature towards a 'core' system level
- Council endeavours to optimise the life of assets at the most economic cost over time (life cycle approach) including the development of new technologies to support optimisation
- reduction of the demand for new assets through demand management techniques and consideration of alternative service delivery options.

1.3.2. Community Strategic Plan

The role of Buildings assets achieving related goals in the Community Strategic Plan are shown in the table below.

Table 4: Buildings Asset Roles in Community Strategic Plan

CSP Goal	Objective	How this is addressed in the Asset Management Plan
We have a healthy community in a liveable city	1.1.3 Provide equitable, affordable, flexible and co-located community services and facilities based on community need.	Describes the facilities and improvements that provide space for the community to participate in active and passive recreation.
	1.5.3 Manage community infrastructure sustainably.	Provides analysis of the financial sustainability of the asset portfolio.
	1.5.6 Seek opportunities for vibrant spaces and inclusive facilities to increase access to active and passive recreational facilities.	Describes major projects that will improve buildings facilities.
We value and protect our environment	3.1.1 Implement measures to reduce the city's carbon footprint and enhance the circular economy by educating and demonstrating the use of renewable resources.	AMP discusses impacts of climate change and importance of considering emissions-reduction at all stages of asset lifecycle.
We are a connected and engaged community	4.1.4 Decision-makers provide accountability through planning and reporting frameworks.	AMP sets out the expected costs, risks and priorities for service delivery.
	4.2.2 Our leaders seek information, are well informed and aware of emerging issues and new information in order to advocate and respond appropriately.	

1.3.3. Strategic Linkages

The following documents have strategic linkages to this Buildings Asset Management Plan.

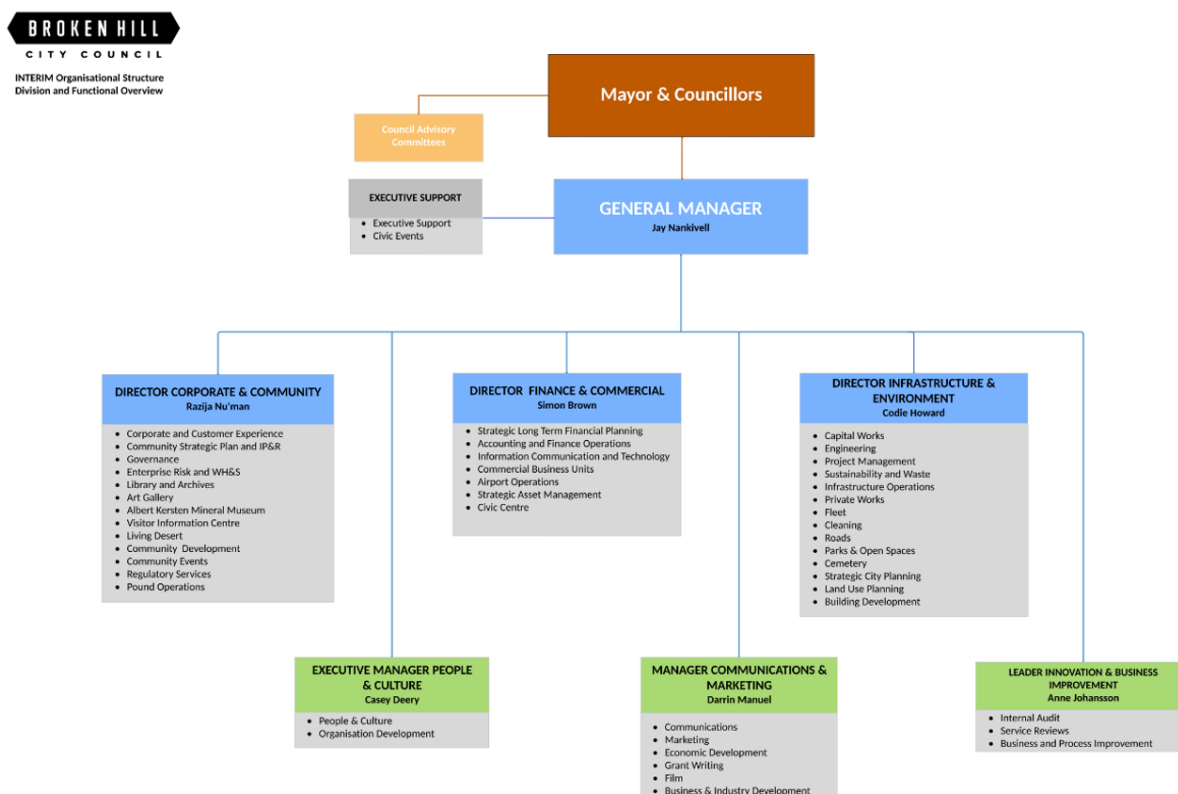
Table 5: Strategic Linkages to Buildings Asset Management Plan

Documents	Linkage to Asset Management Plan
Broken Hill Cultural Plan	Manage and deliver Council-owned places and spaces that support cultural and creative participation.
Broken Hill Liveability Strategy (2023)	Strategies to improve liveability indicators including connectivity and resilience.
Broken Hill Airport Master Plan	Upgrade the capacity and functionality of Broken Hill's airport.
Broken Hill Economic Development Strategy	Attract renewable energy to reduce Council's and the city's carbon footprint. Attract visitors to have a strong tourism economy (see also Airport master plan)

2. ROLES AND RESPONSIBILITIES

Council's organisation structure as at March 2024 is shown in the figure below. Strategic asset management has recently been moved to the Finance and Commercial directorate and a new team established to develop the asset management framework. Subject matter expertise for Buildings assets sits within this team. Council should consider developing a roles and responsibilities matrix for Buildings assets so that responsibilities for all lifecycle activities are assigned and communicated.

Figure 9: Interim Organisation Structure (March 2024)



Council has not formalised its roles and responsibilities. A recommended approach is shown below.

Table 6: Recommended Approach for Roles and Responsibilities

Role	Responsibilities	Functions
Asset Owner (Strategic assets team)	This role takes ownership responsibility for the management of assets and is usually responsible for policy and overall asset strategy	<ul style="list-style-type: none"> • Establish long term policy and strategy • Establish existing demand for assets • Establish future demand for assets (type and standard) • Establish long term community expectation • Implement policy and strategy for existing assets • Establish community asset service level • Ensure integration of asset management into Council's community, delivery and operational plans & resourcing strategy • Maintain and develop asset systems and reporting • Ensure asset accounting is accurate and maintained, and asset valuation • Develop capital works prioritisation • Develop capital works program • Liaison with the organisation as a whole on asset matters
Asset Custodian (Strategic Assets team)	This role is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	<ul style="list-style-type: none"> • Asset Condition inspections • Recommendation of asset disposal and renewal 4-year program • Control budgets • Develop asset plans • Asset condition rating • Risk management • Data custodian – Hierarchy, level of detail • Maintenance planning
Asset Delivery – Maintenance CAPEX and Operations (Projects and Infrastructure Operations Teams)	These roles are responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	<ul style="list-style-type: none"> • Controls asset use, in line with policy • Develop and oversee capital works and maintenance program • Deliver and/or manage capital works • Manage all operations and service delivery functions • Manage service user expectations • Deliver adopted levels of service. • Handover and documentation • Develop capital works prioritisation • Deliver programmed and reactive maintenance, internal/external

3. LEVELS OF SERVICE

3.1. LEVELS OF SERVICE OVERVIEW

There are a variety of ways to describe levels of service (also known as service levels). The concept adopted in this plan is that levels of service are output descriptions supported by quantifiable performance measures.

A level of service is a measurable description of what Council delivers (or intends to deliver) in an activity which relates to something that can be controlled. Service levels may relate to:

- The reliability of an asset.
- The quality of an asset.
- Having the right quantity of assets.
- The safety/risk/security of the assets.

The objective of asset management is to enable assets to be managed in the most cost-effective way based on an understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the levels of service.

3.2. CUSTOMER LEVELS OF SERVICE (SATISFACTION)

The levels of service in this plan have been developed with a customer focus and are grouped into core customer value areas that are referred to as 'service level outcomes'. These service level outcomes (sometimes referred to as service criteria) encompass:

- **Condition**
 - Accessibility and/or Availability
 - Quality/Condition
- **Functionality**
 - Reliability/Responsiveness
 - Sustainability
 - Customer Satisfaction
- **Capacity**
 - Affordability
 - Health and Safety

3.2.1. CONDITION

3.2.1.1 Accessibility

To ensure the asset base performs as required, it is essential that the asset, no matter which type of asset, is generally available to the community as required. As a service outcome, Council's customers will require assets that are accessible and can be relied upon to deliver the services that are not only expected but are also required.

3.2.1.2 Quality/Condition

Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. A copy of a typical condition rating matrix is detailed over page.

Table 7: Asset Condition Rating Matrix

Condition Rating	Condition	Descriptor	Guide	Residual Life as a % of Total Life	Mean Percentage Residual Life
1	Excellent	An asset in excellent overall condition, however, is not new and providing its intended level of service.	Normal maintenance required	>86	95
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues. No indicators of any future obsolescence and providing a good level of service.	Normal maintenance plus minor repairs required (to 5% or less of the asset)	65 to 85	80
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues. Providing an adequate level of service with no signs of immediate or short-term obsolescence.	Significant maintenance and/or repairs required (to 10 - 20% of the asset)	41 to 64	55
4	Poor	An asset in poor overall condition, moderate to high deterioration evident. Substantial maintenance required to keep the asset serviceable. Will need to be renewed, upgraded or disposed of in near future. Is reflected via inclusion in the ten-year Capital Works Plan.	Significant renewal required (to 20 - 40% of the asset)	10 to 40	35
5	Very Poor	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal	<10	5

Asset quality is also very important. Council should determine the quality of the assets required. Quality will have more to do with the design, build and type of the asset rather than its condition. An asset may be poor in quality yet have a condition which is described as good.

3.2.2. FUNCTION

3.2.2.1 Responsiveness

Council will maintain assets in a diligent manner and be responsive to the needs of the community now and into the future. Whilst this may be difficult in some instances, Council places a high emphasis on customer service and its responsiveness to customer enquiries. Strategies will be implemented to ensure that Council maintains a high level of customer support.

3.2.2.2 Customer Satisfaction

Council will continue to provide services to the community in a manner that is efficient and effective. Council will continue to monitor community satisfaction with its current services and strive to improve community satisfaction where possible.

3.2.2.3 Sustainability

Council will ensure that its assets are maintained in a manner that will ensure the long-term financial sustainability for current and future generations. This will be achieved by ensuring efficient and effective service delivery and ensuring appropriate funds are allocated to maintain and renew infrastructure assets.

3.2.3. CAPACITY

3.2.3.1 Affordability

Council will maintain its infrastructure assets in a cost-effective, affordable manner in accordance with responsible economic and financial management. In order for Council's assets to assist in meeting the strategic goals and in attaining optimum asset expenditure, Council will need to continually review its current operational strategies and adopt new and proven techniques to ensure that assets are maintained in their current condition.

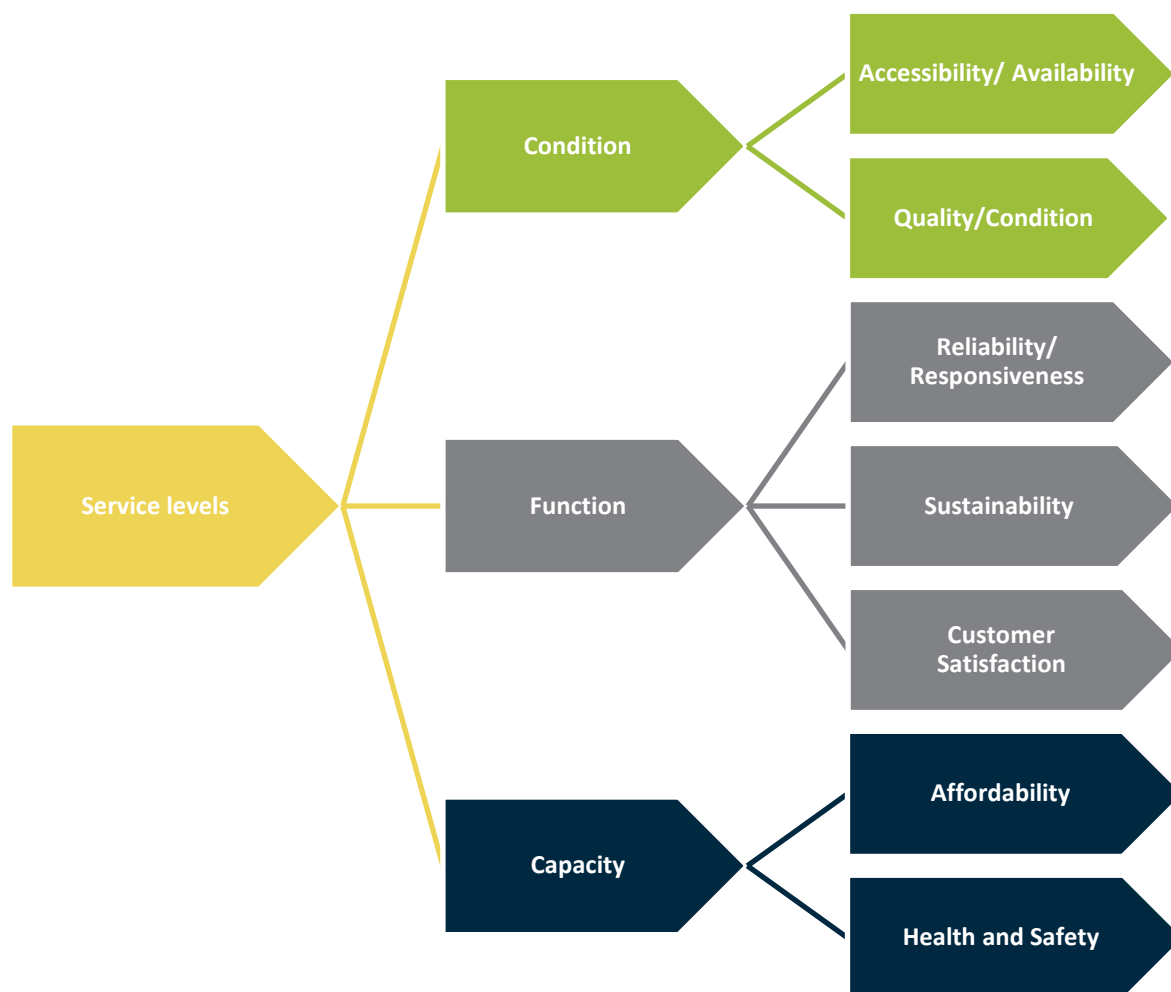
3.2.3.2 Health and Safety

Council will endeavour to identify and mitigate all key health and safety risks created by the provision of services. Examples of level of service based on safety might include the following:

- Services do not cause a hazard to people.
- Water is safe for swimming.

Each of the service level outcomes is related directly to the Council's Community Strategic Plan in the way each asset class helps deliver the services required by the community. These service level outcomes are essential to ensure the asset portfolio is not only maintained to a satisfactory level but also caters for the future demands of the community whilst balancing the potential risks to the community and the Council.

Figure 10: Service Level Framework.



3.3. FINANCIAL LEVELS OF SERVICE

The premise of asset management is that asset requirements and asset management strategies should be driven by defined and acceptable service levels and performance standards. This section defines the various factors that are considered relevant in determining the levels of service for Council's assets that have been used to provide the basis for the lifecycle management strategies and works programme identified within this Strategic Asset Management Plan.

3.3.1. Asset Backlog Ratio

This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and depreciable land improvement assets (averaged over three years).

3.3.2. Asset Consumption Ratio

The average proportion of 'as new' condition remaining for assets. This ratio shows the written down current value of the local government's depreciable assets relative to their 'as new' value. It highlights the aged condition of a local government's stock of physical assets and the potential magnitude of capital outlays required in the future to preserve their service potential. It is also a measure of Council's past commitment to renew the asset class. A consumption ratio of less than 50% would suggest that past renewal funding has been inadequate or that the asset could expect to decay more rapidly.

3.3.3. Asset Sustainability Ratio

Are assets being replaced at the rate they are wearing out? This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period. Council would need to understand and be measuring renewal expenditure to be able to determine this ratio.

3.3.4. Asset Renewal and Renewals Funding Ratio

Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its Long-Term Financial Plan to adequately fund asset renewals. The benchmark is 100% (averaged over three years).

3.3.5. Asset Maintenance Ratio

This ratio compares actual versus required annual asset maintenance for each asset class. A ratio of above 100% indicates that Council is investing enough funds that year to halt the infrastructure backlog from growing. The benchmark is greater than 100% (averaged over three years).

3.4. SERVICE LEVEL SUMMARY

Table 8: Service Level Summary

Service Level Outcome	Level of Service	Performance Measure Process	Performance Target	Current Performance	Indicator
Quality / Condition	Buildings assets meet the needs of the community	Community satisfaction survey	Gap between importance and satisfaction decreases	Not measured	
	Keep buildings in visibly good condition	Condition assessment of assets	90% assets in Condition 3 or better	85% Buildings 91% Other structures 87% Swimming pools	Meeting
Affordability	The services are affordable and managed using the most cost-effective methods for the required level of service	Review of service agreements and benchmark with other councils	Maintenance/Opex budget expenditure +/- 5% of Annual Budget	Not measured	
Health and Safety	Provide buildings safe for occupants and free from hazards	Safety inspections of assets	Inspection program completed to schedule	Not measured	
	Swimming pools are safe for users	Water quality	Water quality not meeting targets Closures due to poor water quality	Not measured	
Reliability / Responsiveness	Planned works completed in accordance with schedules	Completion of scheduled work	90% completion within scheduled service standard		
	Be responsive to the needs of the building's asset users	Number of customer requests received	85% of requests are completed within Council's service charter	Not measured	

Service Level Outcome	Level of Service	Performance Measure Process	Performance Target	Current Performance	Indicator
	Provide well maintained buildings assets that are affordable to the community	Annual works program Planned vs reactive, based on the 3-year plan.	Greater than 50% of maintenance expenditure is undertaken through planned maintenance schedules.	2021 – 60% 2022 – 56% 2023 – 53% 2024 - 54% (April 2024)	Meeting
Sustainability	Continue to provide buildings assets to meet the need of the community	Complete capital work program on-time and on-budget	Annual capital works for time and budget +/- 5%	Not measured	
	Rationalise buildings to reduce lifecycle costs and deliver best value to the community	Implement rationalisation plan	Disposal budget and timeline adopted	Not measured	
	Assets are being renewed in a sustainable manner	Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	OLG benchmark >100%	254% (est 2023/24)	Yes, but distorted by major project spending/c apitalisation
Affordability	Council maintains its Buildings assets	Asset maintenance ratio, measured by (actual maintenance expenditure). Required maintenance expenditure	OLG benchmark 100%	51%	Not Meeting
Quality / Condition	Assets are maintained in a satisfactory condition	Backlog ratio (cost to satisfactory / written down value of the assets)	OLG benchmark <2%	3.1%	Not meeting, but in acceptable range (2-4%)

3.5. KEY USERS AND STAKEHOLDERS

This asset management plan will be used to inform discussions with, and decisions made by, Council and its stakeholders.

Table 9: Key Stakeholders' Roles in Asset Management Plan

Key stakeholder	Role in Asset Management Plan
Councillors	<ul style="list-style-type: none">• Represent needs of community and stakeholders.• Approve allocation of resources to meet the organisation's objectives in providing services while managing risks.• Ensure the organisation is financially sustainable.
Council staff	<ul style="list-style-type: none">• Carry out asset management functions.
The Community	<ul style="list-style-type: none">• Aware of service levels and costs.• Participation in consultation process.• Offer feedback on services.
Community and cultural organisations	<ul style="list-style-type: none">• Operate services from Council-owned facilities.
State government	<ul style="list-style-type: none">• Funding provided to council through specific Grants or through the Roads and Maritime Services.
Federal government	<ul style="list-style-type: none">• Funding through the Financial Assistance Grants and the Roads to Recovery Program.

3.6. Legislative Framework

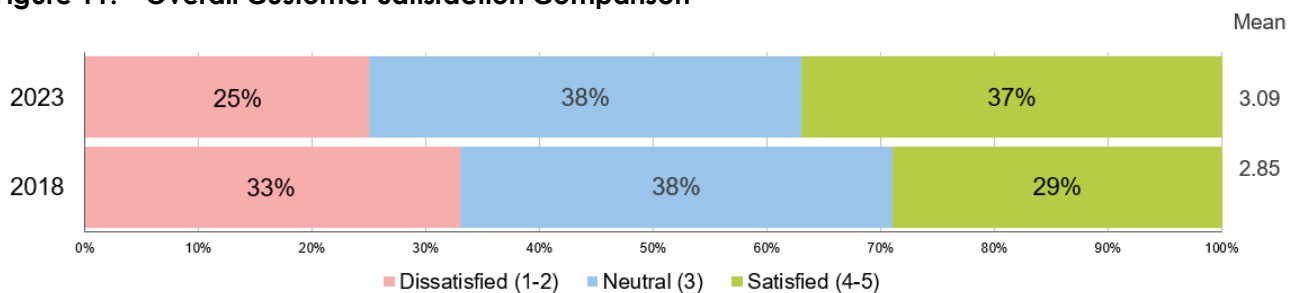
Legislation relevant to this Asset Management Plan is shown below:

- Local Government Act 1993
- Office of Local Government, Integrated Planning and Reporting Framework
- Building Code of Australia
- Disability Discrimination Act 1992
- Environmental Planning and Assessment Act 1979
- Crown Lands Act 1989
- Heritage Act 1977
- Government Information (Public Access) NSW 2009
- Local Government Amendment (Planning and Reporting) Act 2009
- Environmental Protection Act 1994
- Disability inclusion Act 2014
- Work Health and Safety Act 2011
- Protection of the Environment Operations Act 1948
- Valuation of Land Act 1916
- Native Vegetation Act 2003

3.7. USER ENGAGEMENT

The customer satisfaction survey, undertaken in 2023, showed a decrease in overall dissatisfaction when compared to the previous survey (2018), as illustrated in the image below.

Figure 11: Overall Customer Satisfaction Comparison



Source: BHCC Community Satisfaction Survey 2023

Results of the major infrastructure and traffic services are shown below. For further details refer to the 2023 Survey Report. Council should consider these findings when calculating the required maintenance and cost to satisfactory.

Figure 12: Satisfaction Results with Infrastructure Services

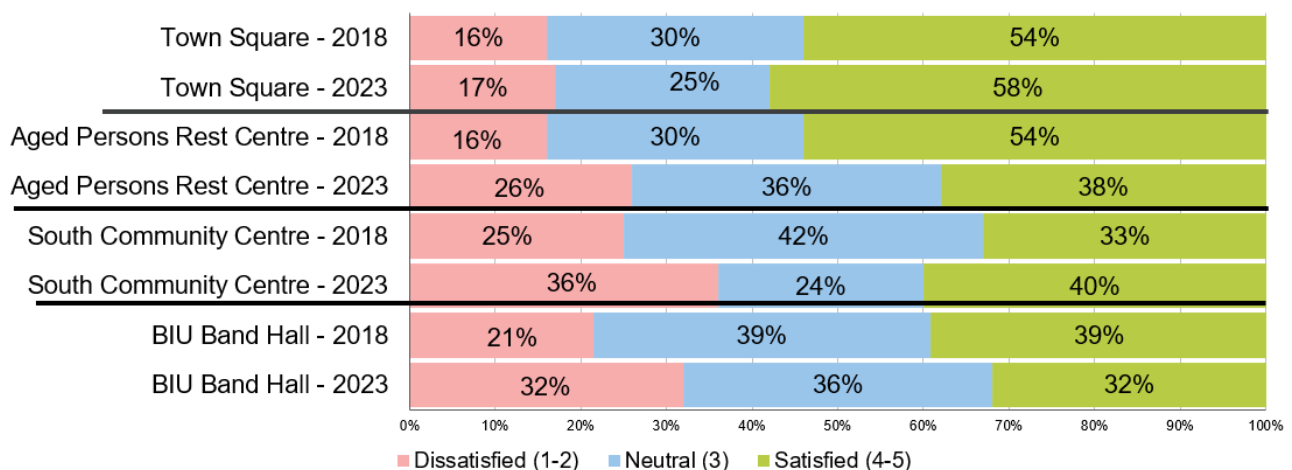
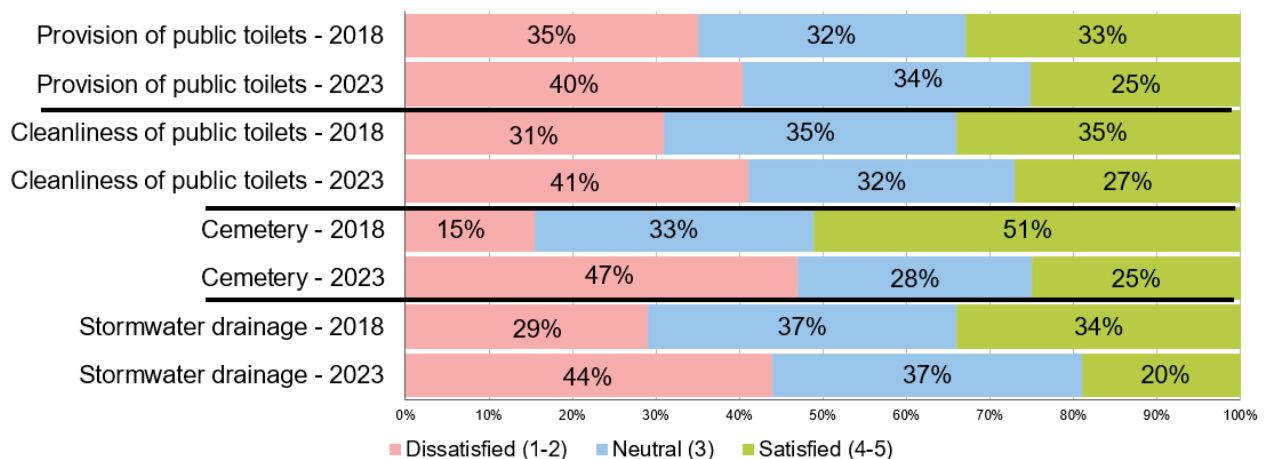


Figure 13: Community Facility Performance



4. FUTURE DEMAND

4.1. DEMAND OVERVIEW

The demand drivers and their impacts on services are shown in the table below. Demand is explored in more detail in the buildings-related strategies.

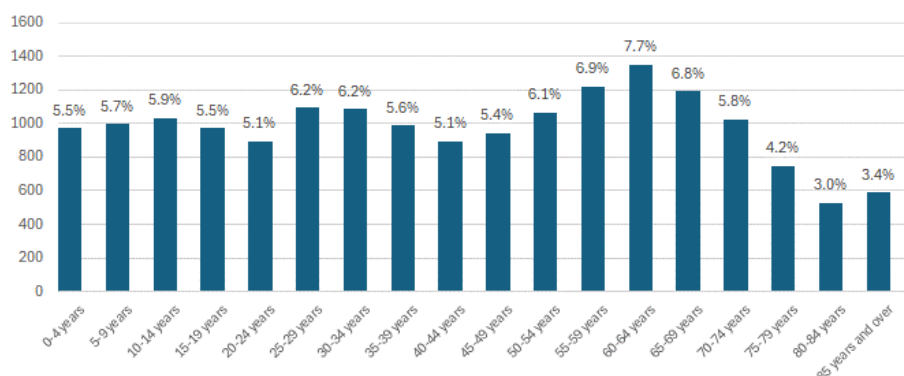
Table 10: Demand Drivers

Source: ABS 2021 Census Broken Hill

Demand Drivers	Present Position	Projection	Impact on Service
Population Increase	17,588 (2021 ABS Census).	Based on Council's most recent economic and data projections Council is estimating that between 2023 and 2046 the population for Broken Hill to increase by 197 persons	Population estimates expect to maintain a steady demand for services.
Demographic change	Ageing demographic. 41 % of the population is 50 years and over.	Ageing population is likely to continue.	Ageing population is expected to increase demand for accessible buildings to people with limited mobility or vision. Council also has obligations under the disability inclusion action plan to provide equitable access for those with less mobility.
Climate change	Increased overall temperatures.	Increase in number of hot days.	Hotter weather places greater demand on electrical, ventilation and air conditioning systems. Hotter weather may increase demand for public spaces for residents to escape the heat.
Tourism	Increased number of tourists and events.	Tourist numbers increasing.	Tourists' expectations of information centres and attractions.

The population of Broken Hill (as of the 2021 ABS Census) has the population at 17,588 while projections have the population decreasing.

Figure 14: Age Distribution of Broken Hill



4.2. DEMAND MANAGEMENT PLANNING

Demand for new Buildings services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in the table below:

Table 11: Demand Management Plan Summary

Demand Drivers	Impact on Service	Demand Management Plan
Population	Population is expected to have minimal impact on the demand for maintenance of Buildings infrastructure.	Prioritise asset renewals through a risk management approach.
Demographic change	Ageing population is expected to increase demand for accessible Buildings infrastructure to people with limited mobility or vision. Council also has obligations under the disability inclusion action plan to provide equitable access for those with less mobility.	Assess accessibility of buildings. In forward planning, account for the possibility of decreased funds due to ageing demographic.
Climate change	Hotter weather may increase demand for thermally comfortable indoor spaces. Hotter weather may increase demand for aquatic facilities.	Consider future climate conditions when designing new and renewed buildings and when replacing building components.

5. LIFECYCLE MANAGEMENT

5.1. ASSET CONDITION

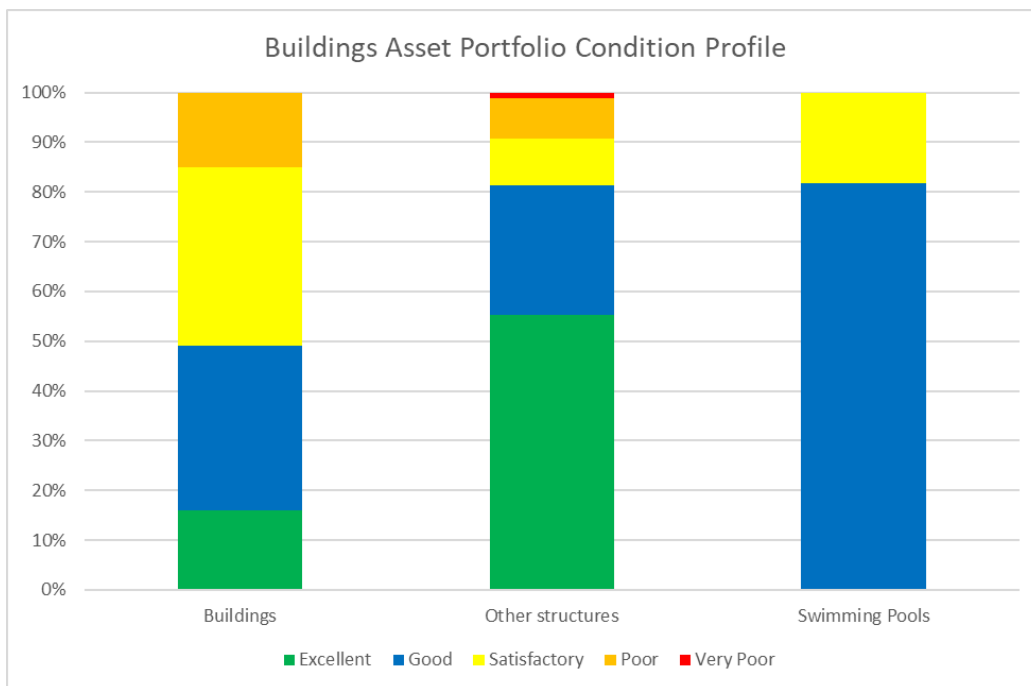
The condition of Council's assets by reported in the 22/23 financial statement is shown below.

Table 12: Condition of Council's Assets - Buildings

Asset Class	Condition					
	1	2	3	4	5	Grand Total
Buildings	16%	33%	36%	15%	0%	100%
Other structures	55.34%	25.94%	9.36%	8.28%	1.08%	100%
Swimming pools	0%	81.77%	18.23%	0%	0%	100%
	18.21%	35.43%	32.75%	13.53%	0.09%	100%

The asset condition based on consumption score in the most recent revaluation is shown below.

Figure 15: Asset Condition by Group



5.2. SYSTEMS

Information systems are essential for storing and analysing asset information to make good asset management decisions. The key asset management information systems used for the buildings portfolio are summarised in the table below.

Table 13: Systems

System	Function
Civica	Finance asset register
IAM.Omni	Defect recording and works order management
Geographic Information Systems (GIS)	Mapping and spatial information including asset condition from condition assessment

5.3. LIFECYCLE PLAN – ACQUISITION STRATEGIES

New works are those works that create a new asset that did not previously exist or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the organisation from land development.

New assets are excluded from the modelling in this AMP so that the forecasts reflect the current value of the asset portfolio.

Major projects in the Building's Portfolio include:

Project	Total budget
Library, Archive and Cultural Precinct - Construction	\$14,500,000
Warnock Depot Garage and Utilities	\$4,571,655
Warnock Depot Master Plan Technical Design	\$1,450,000
Alma Oval Changeroom Redevelopment	\$471,000
Norm Fox Changeroom Redevelopment	\$433,333
Total	\$21,425,988

These projects represent 12.7% of the portfolio value.

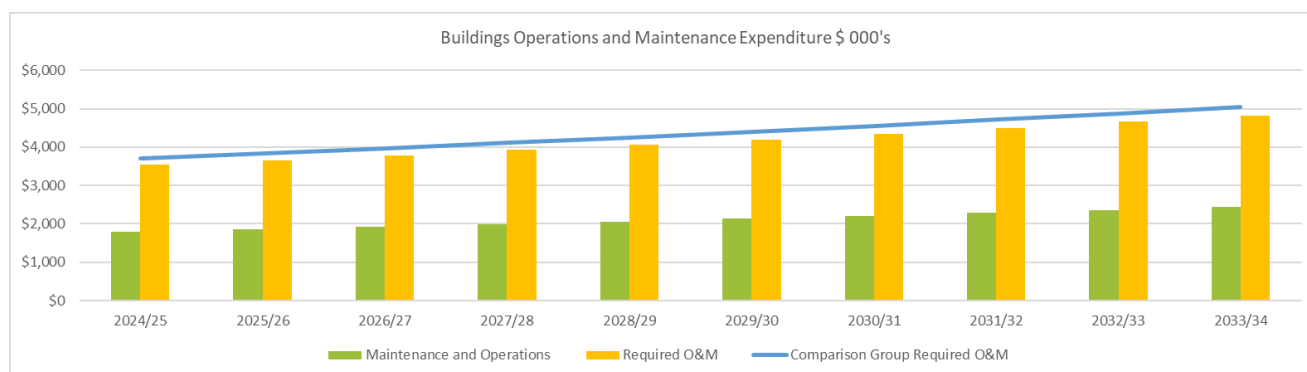
5.4. LIFECYCLE PLAN – MAINTENANCE STRATEGIES

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

- Reactive Maintenance - work on defects, failures and or damaged assets that are not able to be used or operated or are about to fail.
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed or to 100% capacity.
- Operations - regular activities to provide services such as cleansing, pest control and security (eg CCTV). Some councils include utilities in their operational expenditure.

Reviewing OPEX expenditure against required spend (as identified in its 2022/23 financial statements), Council is not currently meeting required expenditure to operate and maintain its network (either as reported or compared to similar councils). However, further investigation is required into whether all costs are operational in nature and whether any costs are associated with other asset classes.

Figure 16: Buildings Operations and Maintenance Expenditure



5.5. LIFECYCLE PLAN – RENEWAL STRATEGIES

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential.

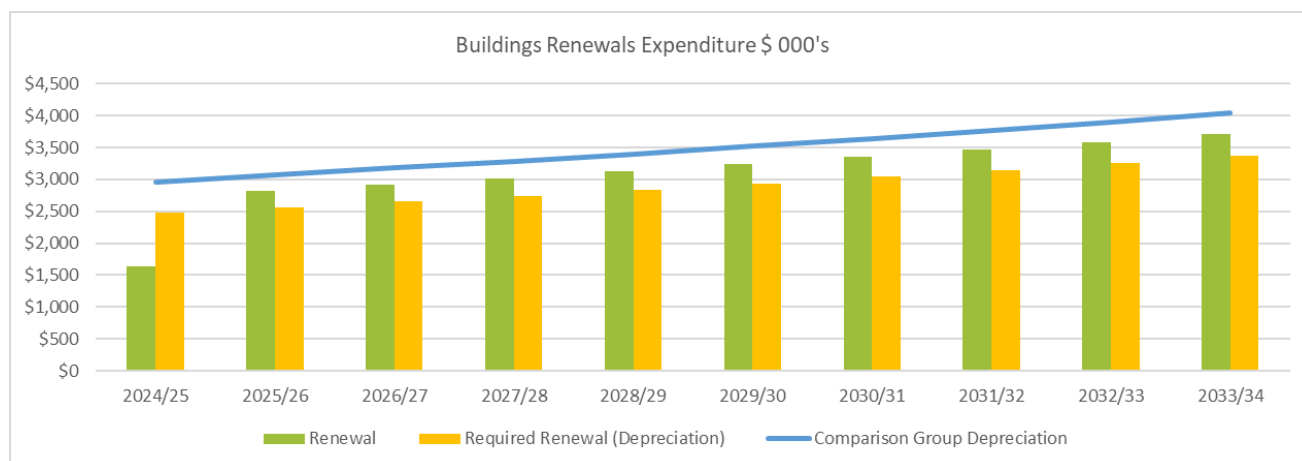
Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure. Assets requiring renewal/replacement are identified using condition and defect data to determine critical renewals.

A proposed renewal criteria table for proposed projects is shown below.

Table 14: Renewal Criteria

Criteria	Weighting (%)
Community – Function/necessity	25%
Quality	5%
Risk Assessment	40%
Capital Expenditure	15%
Lifecycle expenditure	15%
Total	100%

Figure 17: Buildings CAPEX Expenditure



Council compared its budgeted/actual CAPEX expenditure for its Buildings portfolio against its annual depreciation requirements. This showed that Council currently has adequate funds to meet the required level of funding. However, Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate significantly lower than that of the comparison group. Council should review its historical renewal spend, proposed forward works program and useful lives of assets to ensure depreciation is reflective of the asset's consumption.

5.6. LIFECYCLE PLAN – DISPOSAL STRATEGIES

As assets approach end of life it is essential to consider disposal as an alternative to renewal. While this can be unpalatable to the community, the reality is that as populations change, the demand for services changes. It is often better in the long term to rationalise the portfolio and enable Council to deliver a smaller number of buildings of a higher quality that are fit for purpose, affordable and demonstrably meeting the needs of the community. Buildings that are underutilised, have poor accessibility or thermal comfort, and do not appeal to user groups, are a liability.

Council engaged consultants GHD to undertake an asset optimisation review in 2023. This review contains a performance-based assessment of the buildings portfolio and sets out criteria for selecting buildings for rationalisation.

6. RISK MANAGEMENT

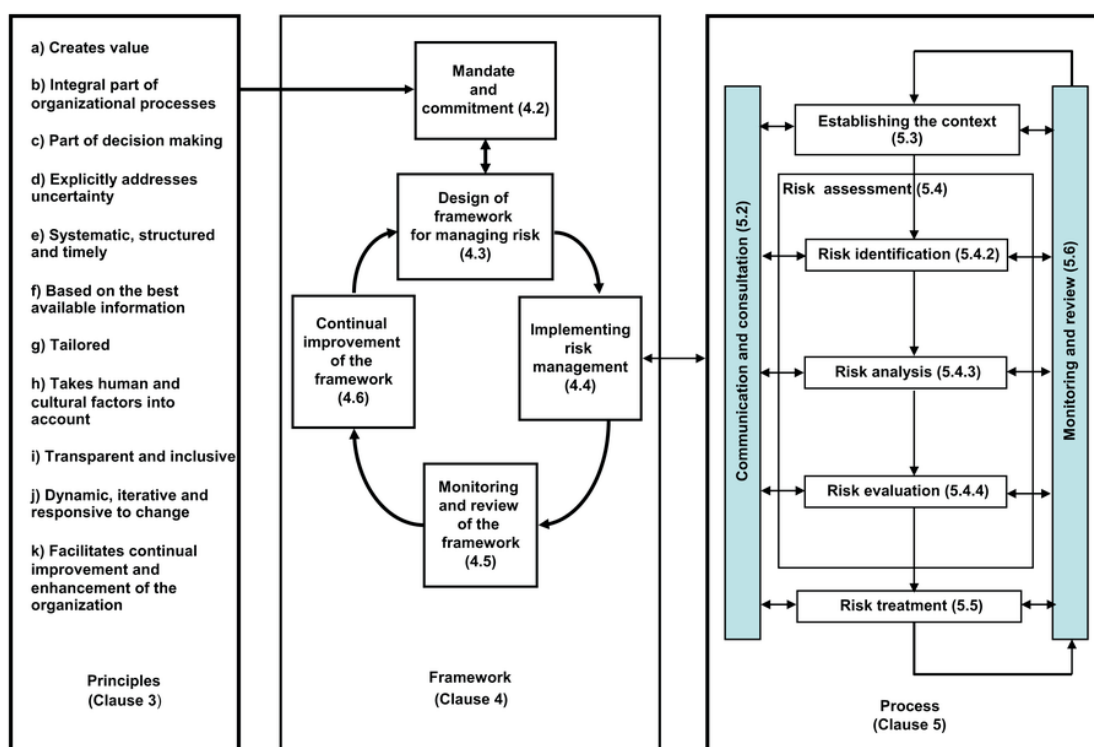
6.1. RISK MANAGEMENT APPROACH

Risk management is defined in 'AS/NZS 4360:2004' as "the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects".

Council is committed to a structured and systematic approach to the management of risk with Council's enterprise risk management framework aligned with ISO 31000:2018. This aims to embed the principles of risk management in all aspects of Council's operations, which ultimately:

- Increases the likelihood of Council achieving its objectives.
- Creates an environment where all employees have a key role in managing risk.
- Encourages proactive management.
- Improves the identification of opportunities and threats.
- Improves stakeholder confidence and trust.
- Improves financial stability and minimise losses.
- improves organisational performance.

Figure 18: ISO 31000 Framework



This is a structured, best-practice and proven approach that is to be applied Council-wide to support the management of strategic, operational, financial, regulatory, and other risk. Under this approach, there are five key stages to the risk management process:

- **Communicate and Consult** - With internal and external stakeholders.
- **Establish Context** - The boundaries.
- **Risk Assessment** - Identify, analyse and evaluate risks.
- **Treat Risks** - Implement and assess controls to address risk.
- **Monitoring and Review** - Risks reviews and audit.

6.2. INFRASTRUCTURE RISK MANAGEMENT FRAMEWORK

Council has undertaken an analysis of the key infrastructure risks for each of its asset classes in its operational risk register. The risk analysis (likelihood and consequence) and treatment criteria specific to each asset class have been identified and, in general, risks are evaluated in the following way:

- Risk identification
- Risk analysis
- Risk treatment
- Risk treatment plan.

6.3. INFRASTRUCTURE RISKS

Council has identified high-level infrastructure-based risks that are associated with the management of its assets in accordance with its corporate infrastructure risk management framework. A summary of these risks can be found in the following table.

Table 15: Summary of High-level risks

Service or Asset at Risk	What Can Happen	Risk Rating	Risk Treatment Options	Residual Risk	Cost Indication
All buildings	Total building loss due to fire or flood event, or other catastrophe.	Medium	Review Buildings Asset Portfolio insurance values and policy in conjunction with Council's Corporate Risk Officer.	Low	Covered by Council's existing insurances.
All buildings	Personal injury or potential loss of life due to building services fault or untreated defect or maintenance item.	High	Implement Council-wide inspection and reporting mechanism. Prioritise high risk defects to ensure safety and defence from litigation.	Medium	Staff resource requirement. Additional reactive maintenance financial resources required.
All buildings	Failure to comply with legislative and regulatory conditions relating to period maintenance and inspection requirements.	High	Implement Council-wide periodic inspection schedule.	Low	Staff resource requirement.
All buildings	Risk of building occupant exposure to asbestos containing materials.	Medium	Corporate Asbestos Register for all Council buildings. Implement Council-wide periodic inspection schedule.	Moderate	Staff time for inspections. Financial resources for reacting to an asbestos situation.

Service or Asset at Risk	What Can Happen	Risk Rating	Risk Treatment Options	Residual Risk	Cost Indication
All buildings	Environmental hazard caused by building systems failure.	Medium	Implement Council-wide defect and fault inspection and reporting schedule.	Low	Existing inspection and reporting resources and systems sufficient. Additional financial resources required to react to faults.

6.4. INFRASTRUCTURE RESILIENCE

Organisational reliance refers to the ability of Council to continue to execute its responsibilities throughout adverse events. Infrastructure resilience refers to the ability of infrastructure to withstand increasingly frequent and severe weather events as well as overall increasing temperatures.

Climate Change is a significant driver of infrastructure risk (see International Infrastructure Management Manual 2020, online version, section 3.2.8). Examples of the hazards posed by climate change are shown below.

Table 16: Hazard Examples Posed by Climate Change

Threat/Hazard	Resilience (L, M, H)	Improvements/Interventions
Extreme weather events	Low	Ensure Council's emergency Management Plan remains current and covers all reasonably foreseeable potential emergencies
An increase in the number of hot days per year affecting building usage	Medium	Ensure asset replacement programs consider cost and benefits of improved technologies (e.g. HVAC, window treatments, roof treatments).
Climate change leading to more frequent and severe weather events	Low	Develop an infrastructure resilience strategy

6.5. CRITICAL ASSETS

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenance activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc.

Table 17: Criteria for Assessing Critical Facilities

Criteria	High	Medium	Low
Essential Services	Yes	No	No
Size	Large	Medium	Small
Multipurpose	>3 users	2-3 users	1 primary user
Frequency of Use	Daily	3 - 4 times per week	1 - 2 times per week
Hazardous Material Store	Yes	No	No
Historical Significance	Yes	No	No
Emergency Service/Management Use	Yes	No	No

Table 18: Critical Assets

Critical Asset	Failure Mode	Impact
Facilities		
Charles Rasp Memorial Library	Failure of any system or service that would result in service closure	Replacement of air conditioner
Town Hall Façade	Pest control - infestation	Heritage damage
Broken Hill Regional Airport	Failure of any system or service that would result in service closure	Replace aging metal tank with concrete tank
Administration Building	Failure of any system or service that would result in service closure	Disruption to service Reputational damage Financial damage
Warnock Street Yard	Failure of any system or service that would result in service closure	Disruption to service Reputational damage
Building components/systems		
Electrical	Failure to operate correctly	Disruption to service Safety hazard
HVAC	Failure to operate correctly	Disruption to service Safety hazard
Fire Safety	Failure to operate correctly	Disruption to service Safety hazard

7. FINANCIAL SUMMARY

7.1. FINANCIAL PERFORMANCE

Council's sustainability ratios are shown in the charts below. Based on the proposed budget 24/25, the infrastructure renewals ratio is above the OLG benchmark of 100%.

The reported maintenance ratio is below the OLG benchmark of 100%, however this ratio is highly dependent on the calculation method and Council's assumptions about what is considered "maintenance."

The forecast backlog ratio falls below the 2% benchmark around 2029/30. This forecast does not include the renewal/upgrade of Broken Hill Library which would artificially lower the backlog ratio. Council could consider maintaining a backlog ratio between 2-4% to free up funding for other purposes such as buildings maintenance, risk mitigation or renewal of other asset classes where there is a higher backlog.

Figure 19: Buildings Sustainability Ratios

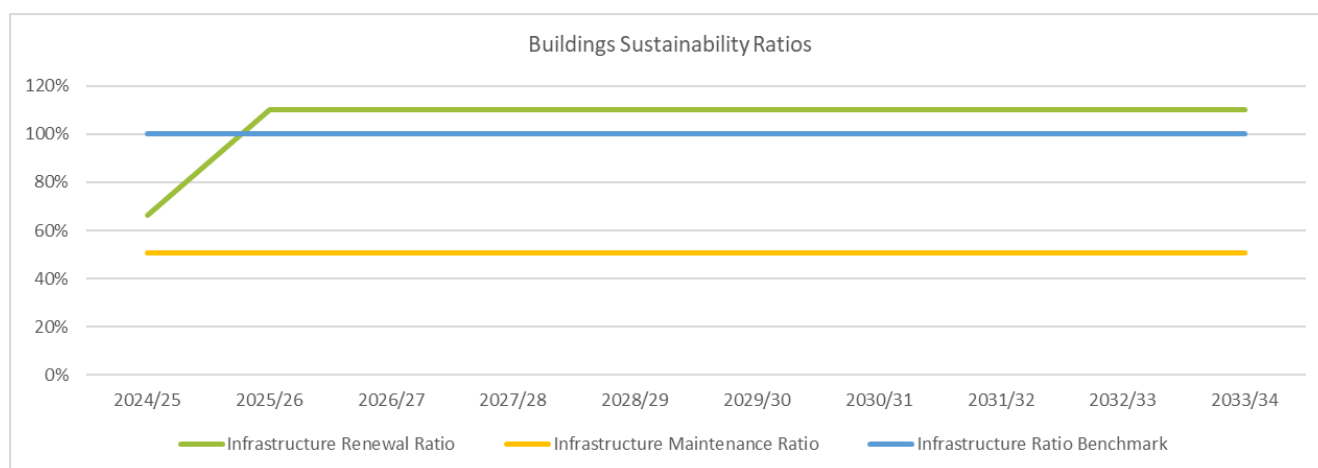
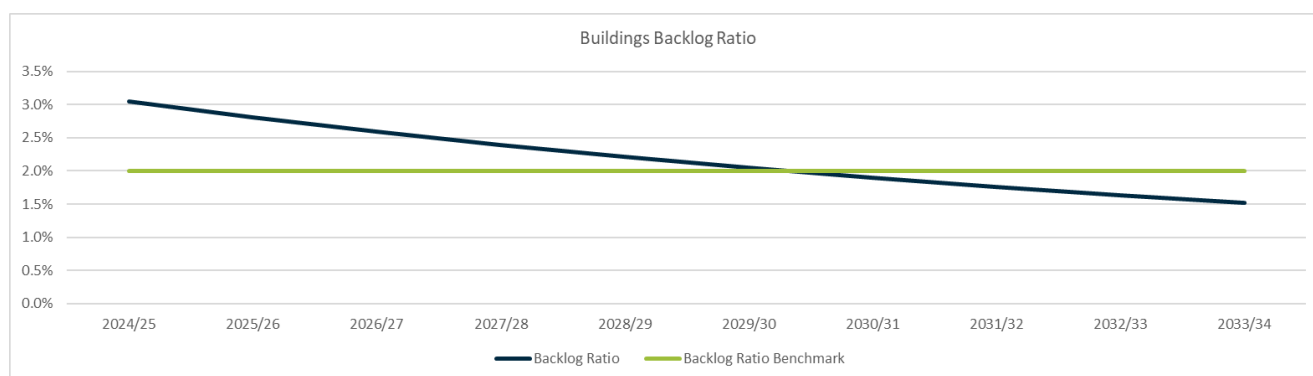


Figure 20: Buildings Backlog Ratio



7.2. EXPENDITURE FORECAST

Table 19: Expenditure Forecast

Expenditure Type	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual (Budgeted) Expenditure										
Renewal	\$1,637	\$2,819	\$2,917	\$3,019	\$3,125	\$3,234	\$3,348	\$3,465	\$3,586	\$3,712
New and Expanded	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operations and Maintenance (O&M)	\$1,794	\$1,857	\$1,922	\$1,990	\$2,059	\$2,131	\$2,206	\$2,283	\$2,363	\$2,446
Total Expenditure	\$3,431	\$4,676	\$4,840	\$5,009	\$5,184	\$5,366	\$5,554	\$5,748	\$5,949	\$6,157
Required Expenditure										
Required Renewal (Depreciation)	\$2,476	\$2,562	\$2,652	\$2,745	\$2,841	\$2,940	\$3,043	\$3,150	\$3,260	\$3,374
New and Expanded	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Required O&M	\$3,538	\$3,662	\$3,790	\$3,923	\$4,060	\$4,202	\$4,349	\$4,501	\$4,659	\$4,822
Total Required Expenditure	\$6,014	\$6,224	\$6,442	\$6,668	\$6,901	\$7,142	\$7,392	\$7,651	\$7,919	\$8,196
OPEX Balance (GAP)	-\$1,744	-\$1,805	-\$1,868	-\$1,933	-\$2,001	-\$2,071	-\$2,143	-\$2,218	-\$2,296	-\$2,376
RENEWAL Balance (GAP)	-\$839	\$256	\$265	\$274	\$284	\$294	\$304	\$315	\$326	\$337
Total Balance (GAP)	-\$2,582	-\$1,548	-\$1,603	-\$1,659	-\$1,717	-\$1,777	-\$1,839	-\$1,903	-\$1,970	-\$2,039
Comparison Group Required O&M	\$3,706	\$3,835	\$3,969	\$4,108	\$4,252	\$4,401	\$4,555	\$4,715	\$4,880	\$5,050
Comparison Group Depreciation	\$2,966	\$3,069	\$3,177	\$3,288	\$3,403	\$3,522	\$3,645	\$3,773	\$3,905	\$4,042

Figure 21: Renewals Forecast

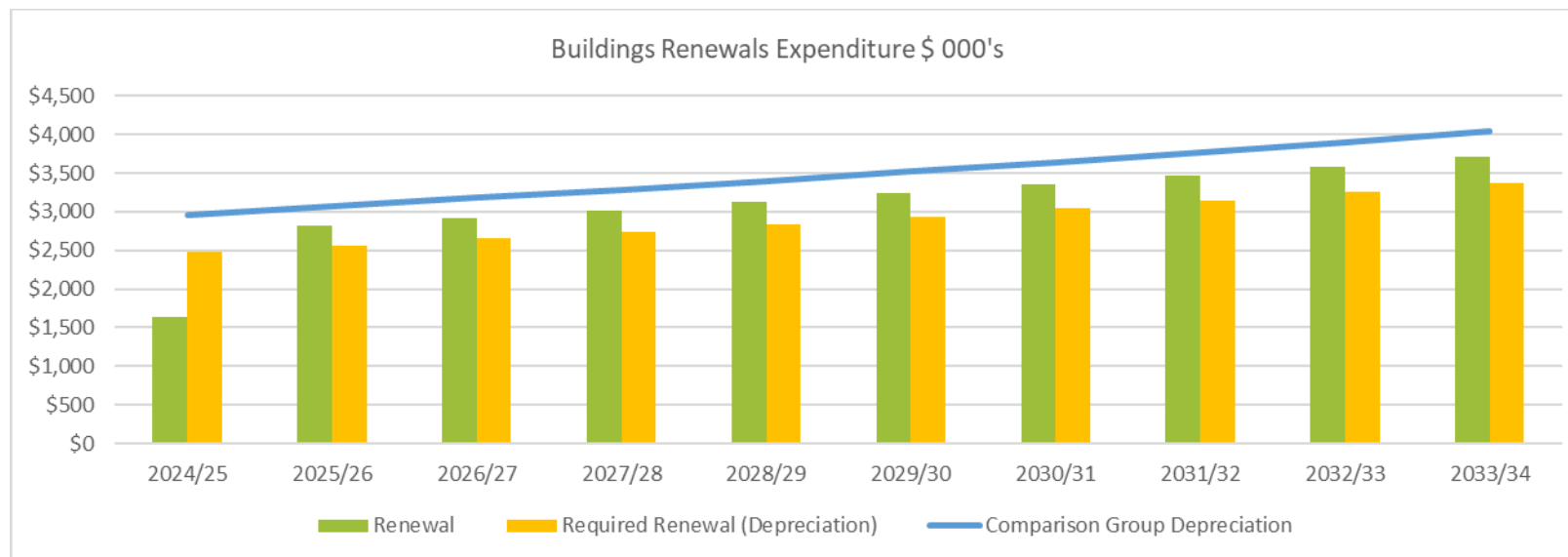
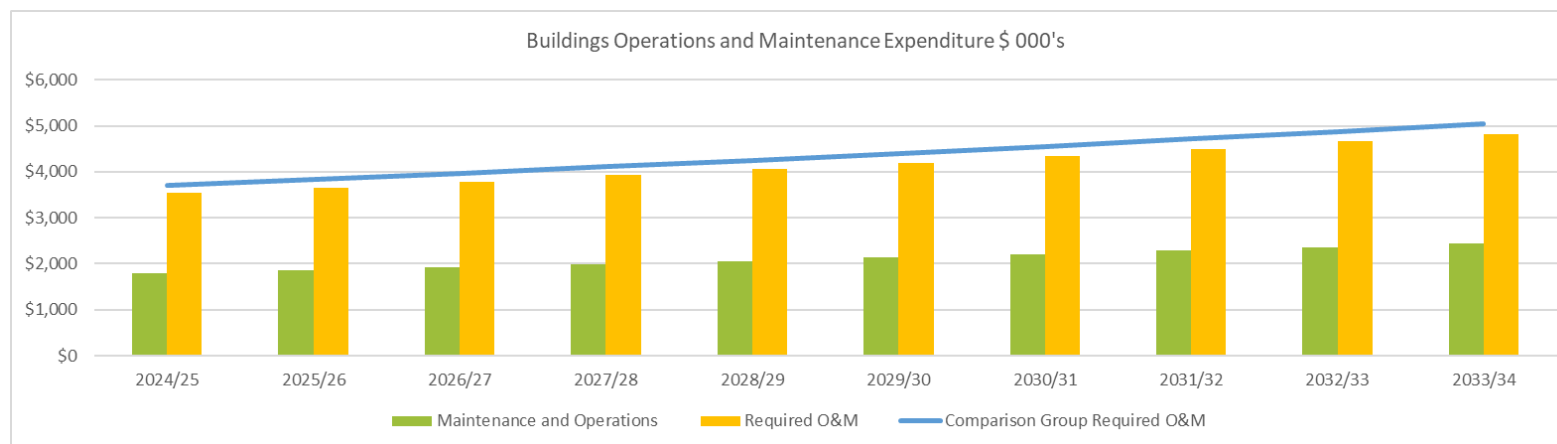


Figure 22: Operations and Maintenance Forecast



7.3. ASSET VALUATION SUMMARY

The valuation of assets is a fundamental part of the asset management cycle. It provides the critical link between asset management and financial management. The values of Council's Buildings assets are shown in the following table.

Table 20: Asset Valuation Summary

Asset Class	Gross (\$000s)	Written Down Value (\$000s)	Depreciation (\$000s)
Buildings	\$144,534	\$88,106	\$1,707
Other structures	\$13,682	\$10,381	\$352
Swimming pools	\$10,367	\$7,072	\$253
Total	\$168,583	\$105,559	\$2,312

Source: SS7 workings for 2022/23

7.4. ASSUMPTIONS AND CONFIDENCE LEVELS

7.4.1. Financial Assumptions

This plan is based on audited financial statements 2022/23, the adopted budget 23/24 and draft budget 24/25.

An indexation rate of 3.5% has been applied to future years forecasts.

7.4.2. Confidence of Financial Forecasts

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following.

Table 21: Asset Data Confidence Scale

Confidence Grade	General Meaning
Highly reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very Uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Table 22: Asset Data Confidence Rating

Asset class	Inventory	Condition	Age	Overall
Buildings	Reliable	Acceptable	Reliable	Reliable

The overall confidence level of the plan is considered to be '**Reliable**'.

8. PLAN IMPROVEMENT AND MONITORING

Table 23: Improvement Plan Actions and Monitoring

Improvement Plan - Key High Priority Actions Area	Action	Priority	Owner	Cost Indication	Timing
Asset Knowledge and Data	Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	Medium	Assets	\$	25/26
	Council to align technical and financial asset registers and processes to achieve a 'single source of truth' for its assets.	High	Assets	\$	24/25
	Council to review its special schedule 7 reporting to ensure cost to satisfactory and cost to level of service capture agreed service levels.	Very High	Assets Finance	\$	24/25
Strategic Asset Planning Processes	Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX.	High	Assets Finance	\$	24/25
	Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	Medium	Assets	\$	25/26
	Council to review current service levels and develop outcome-based service levels which align with IP&R Framework.	High	Assets Operations	\$	24/25
	Council to engage community on developed service levels.	High	Assets	\$\$	24/25
	Council to undertake risk and criticality assessment of its asset portfolios.	High	Assets Operations	\$	24/25
	Council to develop asset criticality framework to help define its critical infrastructure and assets.	High	Assets Operations	\$	24/25
Operations and Maintenance Work Practices	Following criticality assessment, Council to develop management strategies for critical infrastructure.	High	Assets Operations	\$	25/26

Improvement Plan - Key High Priority Actions Area	Action	Priority	Owner	Cost Indication	Timing
Organisational Context	Review asset management roles and responsibilities to ensure that all functions of asset management are covered and are being carried out.	High	Executive	\$	24/25
	Develop roles and responsibilities matrix to ensure that asset ownership and custodianship for all assets are known and communicated.	High	Executive	\$	24/25
	Develop a training plan for all staff undertaking asset management planning functions.	High	Assets	\$	24/25

8.1. IMPROVEMENT MONITORING

This plan will be reviewed annually. Improvement actions will be monitored by the Strategic Asset Management Coordinator.



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